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E.O. 12958: DECL: 10 YEARS TAGS: PGOV PINE SNAR EC

TAGS: PGOV PINR SNAR EC SUBJECT: CORREA NAMES FINAL CABINET POSTS, INCLUDING A

CIVILIAN TO DEFENSE

REF: A. QUITO 3033 <u>¶</u>B. QUITO 3075

Classified By: PolOff Arnaldo Arbesu for reasons 1.4 (b&d)

(SBU) Summary: On December 27, President-Elect Rafael Correa announced the rest of his cabinet, to be sworn in on January 15. The new officials named were: Guadalupe Larriva, as Minister of Defense; Caroline Chang as Health Minister; Trajano Andrade Viteri will head the Transportation and Public Works Ministry; Jorge Encalada Mora to Agriculture; Raul Vallejo, will remain at the Education Ministry; Ana Alban stays as Minister of the Environment; Maria Isabel Salvador continues as Minister of Tourism, and, Jeannette Sanchez (reftel), the Minister of Social Welfare will also head the National Institute of Children and Family (INNFA), a position usually reserved for the First Lady. In naming his final ministers, Correa continued to favor mostly leftist academicians with little or no government experience, while also honoring his campaign pledge to select a widely diverse cabinet in terms of gender, ethnicity and geography. Of the 17 cabinet ministers, 7 are women. The naming of Larriva as Defense Minister is noteworthy both as the first female to ever, and the first civilian in 28 years, to hold a position traditionally reserved for retired military officials. End Summary.

Guadalupe Larriva as Defense Minister

¶2. (U) Larriva is a native of Ecuador's southern city of Cuenca, born on July 26, 1956, widowed, with three children. She holds a doctorate in History and Geography and is considered an expert in territorial and geographic issues. She is a Socialist party member of the current congress but lost her bid for reelection in the October 15 congressional elections. In Congress she represented her native province of Azuay, serving on the Education Commission. She is a former leader of the teachers union (UNE). Some welcomed her appointment as Defense Minister as offering a unique opportunity to professionalize the institution while others questioned her lack of military experience and suggested she would be well-served to surround herself with military affairs experts. Larriva's initial comments signaled she would continue efforts begun by predecessors to divest the military of its civilian business enterprises; she also made statements rejecting further militarization of the northern border with Colombia, suggesting that development activities were more useful. (Comment: Her statements did not make clear whether she in fact advocates rolling back what we view as the GOE's positive policy shift over the past year to

increased deployment in the northern border region. End Comment)

Dr. Caroline Chang, Health Minister

¶3. (U) Correa announced that Dr. Caroline Chang will head the Ministry of Health. Dr. Chang stated at a press conference that accessibility to health care will be one of her top priorities. She added that to accomplish this goal Correa has promised to increase the ministry's budget, an increase estimated at \$200 million dollars. Dr. Chang has worked often with USAID in the past, especially in Pan American Health Organization (PAHO)-related disaster assistance, and has also worked at PAHO in Washington, DC. In 1995-2000, she was granted a USAID-APOLO project scholarship for a Masters in Health Management at ESPOL in Guayaquil.

Trajano Andrade Viteri to Transportation and Public Works

14. (U) Andrade is a lawyer, former ID congressional deputy and Education undersecretary in 1990. In 2004, Andrade was named president/director of the Manta Port Authority, a position he still holds. The Port of Manta is Ecuador's only natural deep-sea port, it is only one hour sailing time from international shipping routes, making it the ideal first port of call for global shipping lines serving the Asian trade lanes. Among his goals are to develop a national transport strategic plan, promote the Manta-Manaus transport route and define transportation development policies. (Comment: He is a somewhat surprising choice given his links to one of the traditional parties that Correa ran against, and the fact

that he faced corruption allegations in a previous capacity.)

Jorge Encalada Mora to Agriculture

15. (U) Encalada hails from El Oro, the center of banana production in southern Ecuador and a key second-round battleground which broke toward Correa. A University of Guayaquil graduate with a degree in agronomic engineering. He served as Minister of Agriculture under the Lucio Gutierrez administration. In 2004, he was named a Ministry of Agriculture delegate to the U.S.-Ecuador Free Trade Agreement negotiations. Correa stated that the Ministry's objectives will be to maintain current levels of agricultural production. (Comment: Another surprise, in reaching out to someone linked to both the Gutierrez administration and the FTA process.)

Raul Vallejo will continue at the Education Ministry

16. (U) Vallejo was a professor at Universidad Andina Simon Bolivar, and a graduate of Universidad Catolica in Literature. He studied at the University of Maryland under a Fulbright scholarship. He is also an author and winner of the Joaquin Gallegos Lara best book prize. He will remain in his current position, the same one he held in 1991-1992, under the Rodrigo Borja administration.

Ana Alban Mora Stays as Minister of the Environment

17. (U) Alban was asked to continue as head of the Environment Ministry. She is an attorney from Guayaquil and served as legal advisor to the Sustainable Development Business Council. She has long been associated with the environmental movement and has excellent relations with our current USAID team.

Maria Isabel Salvador Crespo Stays at Tourism

18. (U) Salvador studied at the Universidad Catolica Law School and in Geneva, Switzerland. She served as president and treasurer at Ecuador's Tourism Promotion Fund and as vice-president with the Pichincha Province Board of Tourism.

Comment

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19. (C) Correa's final cabinet choices again surprised many analysts for their lack of government experience. Guadalupe Larriva as Defense Minister was the most bold, and it will be interesting to watch how she fares in developing a relationship with the military establishment. An announced commitment to support recently approved pay raises is a good start. Correa's commitment to regional diversity, as well as the naming of seven women, an Afro-Ecuadorian, an indigenous and a woman of Asian descent are laudable breaks with tradition in this traditionally male-dominated, regionally-divided and highly classist society.